

How Do I Handle My Property Damage Claim?

How Much Should I Receive for My Property?

You are entitled to recover the Fair Market Value of your property damaged or destroyed in the accident. Fair Market Value is what a willing buyer would pay a willing seller for the property immediately before the accident.

Factors that go into this determination include the year, make, mileage, previous damage and general condition of your vehicle prior to the accident.

There are various sources of information to help determine Fair Market Value, such as:

- The Kelly Blue Book (www.kbb.com) and www.Edmunds.com
- The NADA Used Car Guide (www.nada.com)
- Computerized market guides
- Recent sales of similar vehicles
- Ads from newspaper or auto trader magazines
- Asking or sales prices from dealers.

Service receipts, repair receipts and maintenance records are useful when trying to establish the value of your car. It is important to have these available when negotiating the value of your vehicle with the insurance company. Generally, bring up these items only when asked or after you get an initial offer.

Property damage includes damage to your vehicle, its contents; even clothing you were wearing in the accident. To claim compensation for damaged or destroyed property, you must be able to show that the property was actually damaged in the accident. It will also be necessary to prove the fair market value of destroyed property.

Who Pays to Fix My Car?

You can submit a claim for property damage compensation to the insurance company of the driver who was at fault in the accident. Usually, that company will pay for the damage to your vehicle and other property lost, destroyed or damaged in the accident, unless they are contesting who was at fault in the accident. But, be very careful that any release you sign pertains only to property damage, and does not affect any injury claim you may have. It is advisable to have an attorney review ANY release document or settlement check before signing or cashing.

Alternatively, you may submit a claim to your own insurance carrier for the damage to your vehicle. You can generally do this only if your policy includes "collision" coverage on the vehicle.

The main advantage of having your insurance company pay a property damage claim is that it may pay this claim more quickly than the at-fault driver's insurance company. If your own insurance company pays the claim, the at-fault driver's insurance company may reimburse your company later.

It may be necessary to file a claim with your own insurance company under the following circumstances:

- The accident was with a hit-and-run driver.
- The insurance coverage of the person at fault is not enough to cover your damages.
- The at-fault driver had no insurance coverage.

Even if you settle with your own insurance company, your insurance company can still seek reimbursement from the at-fault driver's

insurance on your behalf for any deductibles. Note that it could take as long as six months to a year to get your deductible returned to you.

You also can pursue the at-fault driver's insurance company for equipment or property damaged or destroyed in the accident.

Is the Car Repairable or a Total Loss?

The fair market value of a vehicle is its value immediately before the accident. The salvage value is its value immediately after the accident.

A vehicle is considered a total loss if the repair cost AND salvage value is more than its fair market value. If the vehicle is not a total loss by this standard, then the insurance company will generally pay to have your car repaired.

The insurance company usually will obtain bids from auto wrecking companies that want to buy your car for its scrap value. If your car is considered a total loss, you may be able to "buy back" the salvage from the insurance company. Rather than pay the insurance company out of your pocket, the insurance company can simply deduct the salvage value of the car from the market value of your car. In that event, you may need to apply for a salvage title from your state's motor vehicle department.

How is the Cost to Repair a Vehicle Determined?

The at-fault party must pay for all reasonable and necessary repairs to your vehicle, if it is not a total loss. The insurance company may request that you drive your car to their repair shop to obtain an estimate of damage. If your vehicle was badly damaged, the insurance will usually send an adjuster to inspect your vehicle at its current location. You must provide any necessary information that they request.

You may get your car repaired at the repair facility of your choice; you cannot be required to have repairs made at any particular shop. However, do not begin repairs until the insurance company has completed their inspection.

Rent a Car.

The at-fault party must provide a rental car similar to your own vehicle during the period in which your car is not operable. Ask your insurance adjuster to recommend a rental car company with the best rates. In addition, some insurance companies have a direct billing arrangement with a rental company and they may pay for the rental car directly, rather than reimbursing you.

How Long Can I Rent a Car?

If your car is unsafe to drive, you are entitled to a rental car from the time of the crash until a reasonable time to make repairs. However, if your car is safe to drive, then you are entitled to a rental car only while your car is undergoing repairs. If your car is totaled, you are entitled to a rental car up until the time the insurance company decides to declare your car totaled, plus an additional 5 business days to enable you to purchase a new car. If your insurance company is providing a rental car, your insurance policy will control the duration, the type, and the cost of a rental car. Your own insurance policy probably limits the expense per day as well as the maximum number of days.

Loss of Use.

If you do not rent a car, the insurance company is still responsible for the loss of use of your car (typically the cost of renting a similar car)■